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AMERICAN TEXTILE INDUSTRY COMMITTEE FOR GOOD GOVERNMENT

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202-862-0500 • FAX: 202-862-0537

September 26, 2000

Doug Ellis
Chairman

Federal Election Commission
999 E Street NW
Washington, DC 20463

Roger W. Chestain
Vice Chairman

Re: Identification Number C00032441
Reference: June Monthly Report (5/1/00-5/30/00)

Doug Bulcao
Treasurer

Dear Sir or Madam:

CONTRIBUTIONS AND FINANCE SUBCOMMITTEE:

I am responding to a September 13th letter from Scott Walker, Federal Election Commission's Reports Analysis Division, expressing concern with ATICGG's June Report regarding Schedule B supporting Line 23 pertaining to "office sought."

Terms expiring Spring 2001:

Roger Berkley
Crandall C. Bowles
Robert H. Chapman, III
Charles A. Hayes

Once again, as we stated in our letter last month regarding the May report, our PAC uses Gnosso's Software's *Keep in Touch* program for the maintenance and filing of our FEC reports. After first contacting Mr. Walker and subsequently Gnosso's regarding this issue, we were informed that there has been ongoing communication between the FEC and Gnosso's and that the situation is currently being remedied (please see enclosed letters). We were told by Gnosso's that we do not need to file an amendment to the report.

Terms Expiring Spring 2002:

James W. Chesnut
Allen E. Gent, Jr.
Roger Milken
A. Pope Shuford

However, please note that on Schedule B supporting Line 23, all disbursements ("Contributions to Federal Candidates/Committees") which do include a district number along with the state and party affiliation are for contributions to federal House/Representative candidates. Those disbursements which do not include a district number are for contributions to a federal Senate candidate.

Terms Expiring Spring 2003:

G. Stephen Felker
W. Duke Kimbrell
T. Eugene McBride
Arthur C. Wiener

If you have any further questions, please do not hesitate to contact me at 202-862-0500.

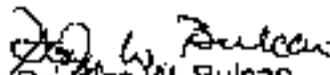
Terms Expiring Spring 2004:

William Horowitz
Frederick B. Dent, Jr.
George W. Henderson, III
Van May

Sincerely yours,

Terms Expiring Spring 2005:

Marshall Y. Cooper, Jr.
Mark B. Kern
Joseph L. Linder, Jr.
W. M. (Maj) Self


Douglas W. Bulcao
Treasurer

Enclosures

ATICGG qualifies as a multicandidate committee.

Ex-Officio:

Daniel K. Frierson
John M. Hamrick
Nell H. Hightower
Edward P. Schrum
Dowey L. Trogdon
Henry A. Tuslow, III

GNOSSOS

SOFTWARE

July 26, 2000

Mr. Jim Pehrson
Staff Director
Federal Election Commission
999 E Street, NW
Room 808
Washington, DC 20463

Dear Jim:

I am writing to express my interest and concern about a situation that Gnosso Software has recently encountered via non-compliance letters several of my clients have received. More importantly, I am interested about the precedent this situation has set and how the communication can be improved. In short, I am concerned about how the Federal Election Commission (FEC) is communicating with affected parties regarding internal policy decisions which impact reporting and compliance.

I have enclosed a copy of a letter I recently sent to Mr. John Gibson of the Reports Analysis Division. This letter was sent as a follow-up to a meeting he had with me, at my request. The letter reiterates the nature of the compliance issue, the results of our discussion, and poses some specific questions relative to this specific issue.

What appears to have occurred is that the Reports Analysis Division is looking at the Schedule B, Line 23 "office sought" issue in a different way than it has in the past. To my knowledge, the regulation to which this issue refers has been in place since 1996, and possibly longer. Therefore, I have no reason to predict that compliance oversight is subject to or about to change. If Gnosso Software or any other affected party (including filers and other vendors) were not aware that such internal policy decisions have been made and are to be implemented, we (and other affected parties) cannot be expected to anticipate such changes and make the necessary adjustments.

As a software vendor, this is important information to be aware of in advance of such changes taking effect. Programming and development may be needed to respond effectively to these policy changes. It is our foremost concern that our clients are in compliance. Therefore, I would respectfully request that the FEC timely notify all affected parties of such changes in the future prior to such changes taking effect.

As you know, Gnosso Software's Keep In Touch program has been used to file FEC reports for ten years and is currently used by approximately 200 committees for filing these reports. In addition, Gnosso Software is one of two vendors who have cooperatively worked with the FEC

1200 E Street, N.W., Suite 1250, Washington, D.C. 20006-1604 202 463-1200 Fax 202 785-9562

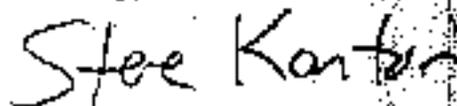
Mr. Jim Pehrson
July 26, 2000
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on electronic filing since it became available on a voluntary basis, and Keep In Touch has been approved for electronic filing by the FEC. We are proud of our working relationship with the FEC over the years and of the high level of compliance by our clients that has resulted.

Please know how much I appreciate the responsiveness and attention with which Mr. Gibson has dealt with me and my staff. I am compelled to alert you to this specific situation in the hopes you can provide some insight and ensure me that this was an isolated occurrence, and not a precedent for future similar incidents.

I look forward to hearing from you, and I welcome the opportunity to speak with you directly if you have any questions or concerns. Please do not hesitate to call (202-463-1200, Ext. 408).

Sincerely,



Steve Kantor
President

GNOSSOS

SOFTWARE

July 25, 2000

Mr. John Gibson
Director, Reports Analysis Division
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Mr. Gibson,

Anne DeSola and I appreciated the opportunity to meet with you and your colleagues recently regarding client filings of FEC compliance reports generated by Keep In Touch. I am writing to reiterate our discussion, to provide some follow-up information for your review, and to solicit your input and approval as to the next steps needed to be taken by Gnossos Software in order to ensure that our software continues to comply with all relevant FEC regulations.

In re-examining our discussion, it had come to our attention that several clients began receiving letters from the Reports Analysis Division identifying a problem with the format of our reports that has been approved and used for many years. More specifically, at least one of the letters used the following language:

Please amend Schedule B supporting Line 23 by providing the office sought for each contribution made. 11 CFR §§ 104.3(b)(3)(ii) and (v)

To our knowledge, this regulatory language has been in place since at least 1996 and possibly longer. Therefore, we were taken by surprise when the FEC altered its previous enforcement standard and began citing this problem. However, it is our foremost concern that our clients are in compliance, and I want to ensure that Keep In Touch continues to meet the FEC's compliance standards.

Therefore, as we agreed at our meeting, Gnossos Software is recommending to its clients who have been cited on this issue, that they respond to the FEC with a letter stating that disbursements which indicate a district number are House/Representative races while those without a district number are Senate races. An amended report is not a required response to this particular issue.

Mr. John Gibson
July 25, 2000
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With your approval, I am proposing that I supply my clients with the following text for these letters:

Please note that on Schedule B supporting Line 23, all disbursements ("Contributions to Federal Candidates/Committees") which do include a district number along with the state and party affiliation are for contributions to federal House/Representative candidates. Those disbursements which do not include a district number are for contributions to a federal Senate candidate.

If you do not agree that this proposed language meets the needs, I would appreciate any suggestions or input you might be able to provide regarding this language.

Please note that I do recognize that this is a temporary solution, and that I intend to rectify this in our next version of the software, due out in February 2001, in time for the February monthly reporting period. I respectfully request your concurrence with this timeframe and your agreement to continue to use the above agreed-upon solution until then.

In addition, I need you to specify for us, for our programming purposes, exactly what terms are required to be reflected to comply with this "office sought" distinction. You may recall that we were unable to locate a regulatory cite for how this is supposed to read at the time of our meeting, and I am hoping you have been able to identify the appropriate cite since then.

Additionally, I want to confirm with you that I have followed up on a question that was raised during our discussion regarding any distinctions (on this Schedule B, line 23 issue) between our electronically filed and paper filed reports. I have learned that our product's specifications for the electronically filed reports do include specific programming, which distinguishes a "House/Representative" contribution from a "Senate" contribution. Therefore, any one of our 50 or so clients who are electronically filing their FEC reports should not be encountering this problem.

Thank you again for meeting with us regarding this issue as well as your assistance in clarifying the outstanding issues identified in this correspondence. I look forward to hearing from you soon. If you need to contact me, please do not hesitate to call at 202-463-1200, Ext. 408.

Sincerely,



Steve Kantor
President

GNOSSOS

SOFTWARE

Fax Cover Sheet

Date: 8/16/00

Time: 2:30 pm

To: Karen Price

Phone: 862-0521

Fax: 862-0537

From: Anne DeSeta

Phone: 202-463-1200 Ext.

Fax: 202-785-9562

Total number of pages (including cover sheet): 5

Message:

Hope this helps!



Federal Election Commission

**ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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J.A.Q.
PREPARER

9/26/00
DATE PREPARED